

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 387

April 9, 2021

SUMMARY OF BILL: Requires public institutions of higher education to classify a student who is the spouse or dependent child of a service member as an in-state student for tuition purposes, regardless of the student's domicile or place of residence under certain conditions.

ESTIMATED FISCAL IMPACT:

Decrease State Revenue – Net Impact –
\$613,900/FY21-22 and Subsequent Years/
Locally Governed Institutions
\$143,700/FY21-22 and Subsequent Years/
University of Tennessee

Assumptions:

- Based on information provided by the locally governed institutions (LGI's) and the University of Tennessee (UT) system, the table below shows the estimated number of current full-time students who are paying out-of-state tuition at each institution who would qualify for in-state tuition as a result of this legislation and the difference between the annual cost of in-state and out-of-state tuition per student

Higher Education Institutions	Number of students	Difference between in-state and out-of-state tuition	Decrease in state revenue
Austin Peay University	4	\$5,544	\$22,176
East Tennessee State University	22	\$19,182	\$422,004
Middle Tennessee State University	4	\$19,614	\$78,456
Tennessee State University	4	\$13,356	\$53,424
Tennessee Tech University	6	\$16,656	\$99,936
University of Memphis	10	\$4,785	\$47,850
Total Decrease for Locally Governed Institutions:			\$723,846
University of Tennessee Chattanooga	1	\$8,064	\$8,064
University of Tennessee Knoxville	10	\$18,420	\$184,200
University of Tennessee, Martin	1	\$6,040	\$6,040
University of Tennessee Health Science Center	1	\$25,923	\$25,923
Total Decrease for University of Tennessee System:			\$224,227

- The recurring decrease in state revenue for the LGIs is estimated to be \$723,846.
- The recurring decrease in state revenue for the UT systems is estimated to be \$224,227.
- Passage of the proposed legislation will result in an increase in enrollment of out-of-state students who will qualify for in-state-tuition at institutions of higher education. The table below shows the estimated number of additional out-of-state students that will enroll at each institution as a result of this legislation and the annual cost of in-state tuition per student.

Higher Education Institutions	Increase in students	Cost of in-state tuition	Increase in state revenue
Austin Peay University	2	\$8,627	\$17,254
East Tennessee State University	2	\$9,491	\$18,982
Middle Tennessee State University	2	\$9,424	\$18,848
Tennessee State University	2	\$8,183	\$16,366
Tennessee Tech University	2	\$9,318	\$18,636
University of Memphis	2	\$9,924	\$19,848
Total Increase for Locally Governed Institutions:			\$109,934
University of Tennessee Chattanooga	1	\$9,656	\$9,656
University of Tennessee Knoxville	2	\$13,264	\$26,528
University of Tennessee, Martin	1	\$9,748	\$9,748
University of Tennessee Health Science Center	1	\$34,566	\$34,556
Total Increase for University of Tennessee System:			\$80,498

- The recurring increase in state revenue for the LGIs is estimated to be \$109,934.
- The recurring increase in state revenue for the UT system is estimated to be \$80,498.
- The recurring net decrease in state revenue for LGI's is estimated to be \$613,912 (\$723,846- \$109,934) in FY21-22 and subsequent years.
- The recurring net decrease in state revenue for UT is estimated to be \$143,729 (\$224,227- \$80,498) in FY21-22 and subsequent years.
- Based on information provided by the Tennessee Board of Regents (TBR), the provisions of the proposed legislation will have no impact on students who attend technical and community colleges in this state; therefore, any fiscal impact to the TBR is estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

/lm